

Civilian Personnel Downsizing Painful, Successful

PAUL STONE

WASHINGTON (AFP) — It's been a long 10 years, and Diane Disney will not hesitate to say it's been painful at times. But she will also tell you the Defense Department's downsizing of its civilian workforce has been successful and achieved with a transition program that's better than any other in government and better than almost any in the private sector.

Disney is Department of Defense's Deputy Assistant Secretary of Defense (DoD DASD) for Civilian Personnel Policy. She has been a key player in the programs and policies that have taken the civilian work force from a September 1989 figure of approximately 1.1 million personnel to its current 700,000 — and done so "humanely as well as efficiently," she emphasized.

She's particularly proud of the fact that of the 400,000 jobs eliminated or transferred to private contractors, only about 9 percent resulted in actual layoffs.

"That is a record I don't think any private sector business could meet," she said.

Three programs proved particularly successful in drawing down the civilian workforce without having to resort to layoffs, Disney said. The Priority Placement Program helped place about 70,000 workers in other positions in and outside DoD. The permanent program is routinely used to place workers in other federal jobs when installations or agencies close or downsize.

The other programs, Disney noted, are the Voluntary Early Retirement Act (VERA) and the Voluntary Separation Incentive Pay (VSIP) Programs. Under VERA, employees can retire early and begin collecting benefits. VSIP pays employees to leave federal civil service — up to \$25,000, depending on length of service and other factors. Some employees were able to take advantage of both programs. She said about 126,000 DoD civilians have opted for VSIP since 1989 and 56,000 have retired under VERA.

Disney said DoD has received authority to continue the VSIP program through 2001 and is proposing an extension through 2003, with the authority already existing to continue the VERA program. Both will be important during the next several years because, she said, DoD must eliminate about 100,000 more civilian positions between now and 2003.

In addition to these popular and effective programs, Disney said DoD has experimented with other incentives. For example, anyone who leaves federal service may elect to continue federal health care coverage for up to 18 months if they pay the premiums.

"We went a little further in Defense and got the authority to continue making the payments for them to help ease the transition period," she said. The benefit made a profound difference to some people, she added.

One program that has not worked well is the Non-Federal Hiring Incentive Program. The program offers private-sector businesses up to \$10,000 for each DoD civilian they retrain or relocate, as long as the employee is retained for at least one fiscal year.

While understanding how difficult downsizing has been, Disney is also proud of the way the military departments and agencies have handled the process.

"Unlike other kinds of organizations, DoD must always be ready for its mission," Disney said. "And that doesn't mean it can be in a full state of readiness in Germany but not in Korea. We have to be ready at all sites at all times. We've tried to manage the downsizing humanely and efficiently, but we couldn't have managed it at all if the people who work for DoD had not remained consistently dedicated to the mission."

Editor's Note: This information, originally published by American Forces Information Service, is in the public domain at <http://www.af.mil/news> on the World Wide Web.